



Law on protection of employee claims

On **19 February 2010** amendments to the **Law on protection of employee claims in the event of insolvency of the employer** (Dziennik Ustaw No 18, item 100) comes into force. The recent changes will facilitate quicker payment of outstanding salaries to employees by the Guaranteed Employee Benefits Fund (FGŚP) where there is a discontinuance of business activity and abandonment of the company by the employer without its liquidation. Until now, employees of companies with an unclear legal situation have had problems with the enforcement of outstanding salaries.

Under the new definition, an employer is considered insolvent if an employee's claims are not settled **for a period longer than 2 months** due to lack of funds and actual cessation of business activity by the employer. In such a situation, the local FGŚP office, upon receiving a written request from the employee, will pay an advance on outstanding salary in an amount not exceeding the minimum wage (in 2010 it is PLN 1,317). FGŚP will make this payment after checking the factual circumstances of the cessation of business activity by the employer.

Contact

If you are concerned that the above may apply to your business or if you would like to discuss any of the above issues, please do not hesitate to contact:

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